

## **Program A: Administrative**

Program Authorization: Section 16, Article XIV of La. State Constitution of 1974

### **PROGRAM DESCRIPTION**

The mission of the Administrative Program in the Louisiana Stadium and Exposition District is to provide for the operation of the Louisiana Stadium and Exposition District through funding for Superdome operation, a management fee to Louisiana Facilities Management, and the Saints Incentive Payment Schedule.

The goals of the Administrative Program in the Louisiana Stadium and Exposition District are:

1. Ensure lower General Fund cost for operating the Superdome facility.
2. Provide economic benefits to the City of New Orleans and the State of Louisiana.

The source of funding is (1) fees and self-generated revenues derived from event rentals, admissions, concessions, parking and advertising, and (2) surplus from the hotel/motel tax collection.

### **OBJECTIVES AND PERFORMANCE INDICATORS**

Unless otherwise indicated, all objectives are to be accomplished during or by the end of FY 2000-2001. Performance indicators are made up of two parts: name and value. The indicator name describes what is being measured. The indicator value is the numeric value or level achieved within a given measurement period. For budgeting purposes, performance indicator values are shown for the prior fiscal year, the current fiscal year, and alternative funding scenarios (continuation budget level and Executive Budget recommendation level) for the ensuing fiscal year (the fiscal year of the budget document).

**The objectives and performance indicators that appear below are associated with program funding in the Base Executive Budget for FY 2000-01. Specific information on program funding is presented in the financial sections that follow performance tables.**

1. (KEY) Through the Louisiana Superdome, to maintain contract and event parking revenue at existing operating budget level.

Strategic Link: This operational objective relates to Strategic Objective 1: *To increase contract and event parking revenue by 22% through better controls, aggressive sales, increased rates and greater number of events.*

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Dollar amount of contract and parking revenues (in \$ millions)	\$3.0	\$3.4	\$3.0	\$3.0	\$3.4	\$3.4

2. (KEY) Through the Louisiana Superdome, to maintain advertising rights fees through a program of selling sponsorship and naming rights in certain sections of the building.

Strategic Link: This operational objective relates to Strategic Objective 2: *To increase advertising rights fees through a program of selling sponsorship and naming rights in certain section of the building .*

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Dollar amount of advertising	\$560,000	\$710,000	\$560,000	\$560,000	\$560,000	\$560,000

3. (KEY) Through the Louisiana Superdome, to maintain overall commercial office rental through an aggressive sales campaign.

Strategic Link: This operational objective relates to Strategic Objective 3: *To increase overall commercial office rental through an aggressive sales campaign targeted at small business.*

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Dollar amount of commercial office rental	\$350,000	\$420,000	\$350,000	\$350,000	\$380,000	\$380,000

4. (KEY) Through the Louisiana Superdome, to maintain administrative cost, including salaries and wages, through continued consolidation of staff and more effective management of resources.

Strategic Link: This operational objective accomplishes Strategic Objective 4: *To maintain administrative cost, including salaries and wages, through continued consolidation of staff and more effective management of resources.*

LEVEL	PERFORMANCE INDICATOR NAME	PERFORMANCE INDICATOR VALUES					
		YEAREND PERFORMANCE STANDARD FY 1998-1999	ACTUAL YEAREND PERFORMANCE FY 1998-1999	ACT 10 PERFORMANCE STANDARD FY 1999-2000	EXISTING PERFORMANCE STANDARD FY 1999-2000	AT CONTINUATION BUDGET LEVEL FY 2000-2001	AT RECOMMENDED BUDGET LEVEL FY 2000-2001
K	Dollar amount of administrative cost (in \$ millions)	\$5.2	\$5.1	\$5.2	\$5.2	\$5.6	\$5.6

## RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$0	\$0	\$0	\$0	\$0	\$0
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	31,470,000	23,599,186	23,599,186	23,847,087	29,263,577	5,664,391
Statutory Dedications	0	0	9,730,000	2,030,000	2,030,000	(7,700,000)
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
TOTAL MEANS OF FINANCING	<u>\$31,470,000</u>	<u>\$23,599,186</u>	<u>\$33,329,186</u>	<u>\$25,877,087</u>	<u>\$31,293,577</u>	<u>(\$2,035,609)</u>
EXPENDITURES & REQUEST:						
Salaries	\$0	\$0	\$0	\$0	\$0	\$0
Other Compensation	4,200	5,700	5,700	7,200	7,200	1,500
Related Benefits	0	0	0	0	0	0
Total Operating Expenses	14,800	13,300	13,300	76,970	76,900	63,600
Professional Services	304,500	271,000	271,000	280,420	274,000	3,000
Total Other Charges	28,916,500	23,309,186	33,039,186	25,512,497	30,935,477	(2,103,709)
Total Acq. & Major Repairs	2,230,000	0	0	0	0	0
TOTAL EXPENDITURES AND REQUEST	<u>\$31,470,000</u>	<u>\$23,599,186</u>	<u>\$33,329,186</u>	<u>\$25,877,087</u>	<u>\$31,293,577</u>	<u>(\$2,035,609)</u>
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	0	0	0	0	0	0
Unclassified	0	0	0	0	0	0
TOTAL	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

## SOURCE OF FUNDING

The source of funding is State General Fund and Fees and Self-generated Revenues. The Fees and Self-generated Revenues are derived from the 4% hotel/motel occupancy tax collected in Orleans and Jefferson Parishes and from event rentals, admissions, concessions, parking and advertising.

	ACTUAL 1998-1999	ACT 10 1999- 2000	EXISTING 1999- 2000	CONTINUATION 2000 - 2001	RECOMMENDED 2000 - 2001	RECOMMENDED OVER/(UNDER) EXISTING
New Orleans Area Tourism and Economic Develop. Fund	\$0	\$0	\$9,730,000	\$2,030,000	\$2,030,000	(\$7,700,000)

## ANALYSIS OF RECOMMENDATION

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$0	\$23,599,186	0	<b>ACT 10 FISCAL YEAR 1999-2000</b>
			<b>BA-7 TRANSACTIONS:</b>
\$0	\$9,730,000	0	Pursuant to Act 1380 of the 1999 Regular Session the New Orleans Area Tourism and Economic Development Fund is to be administered by the LSED
\$0	\$33,329,186	0	<b>EXISTING OPERATING BUDGET – December 3, 1999</b>
\$0	\$495,577	0	Risk Management Adjustment
\$0	(\$7,700,000)	0	Other Non-Recurring Adjustments for one-time funds relative to the New Orleans Area Tourism and Economic Development Fund
\$0	\$967,814	0	Other Adjustments for regular operating expenses
\$0	\$4,201,000	0	New And Expanded Adjustments - budget funds for the new New Orleans Arena
\$0	\$31,293,577	0	<b>TOTAL RECOMMENDED</b>
\$0	\$0	0	<b>LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS</b>
\$0	\$31,293,577	0	<b>BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001</b>
			<b>SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL:</b>
\$0	\$0	0	None
\$0	\$0	0	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL</b>
			<b>SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:</b>
\$0	\$0	0	None
\$0	\$0	0	<b>TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE</b>
\$0	\$31,293,577	0	<b>GRAND TOTAL RECOMMENDED</b>

The total means of financing for this program is recommended at 93.8% of the existing operating budget. It represents 108.7% of the total request (\$28,765,000) for this program. The major changes from total recommended and existing operating budget are due to the funds associated with the New Orleans Area Tourism and Economic Development Fund, as well as the opening of the new New Orleans arena.

### **PROFESSIONAL SERVICES**

\$30,000	Accounting and Auditing for financial consultant to prepare the agency's budget, financial reports, maintain financial records, and make payments to the Superdome management firm and the New Orleans Saints
\$34,000	Other Professional Services for operations consultants
\$30,000	Engineering and Architectural funding for an architect to make periodic inspections of the facility, coordinate work of outside specialty consultants, develop capital outlay programs, investigate failures of the existing structures and perform additional duties as directed by the Board
\$180,000	Other Professional Services for legal services to assist the Board in matters concerning the management firm's contract and other affairs as directed by the Board
<b>\$274,000</b>	<b>TOTAL PROFESSIONAL SERVICES</b>

### **OTHER CHARGES**

\$9,000,000	Salaries, wages, benefits for operations of the Superdome for 180 full time employees and part time personnel
\$2,090,000	Management Fee to Facility Management of Louisiana for operating the Superdome
\$1,698,597	Marketing fund contribution-Funds which go into a Marketing Fund for the purpose of attracting events to the Superdome
\$2,650,000	Utilities for Superdome
\$450,000	Concessions Contract with Aramark for operating food and beverages in the Superdome
\$1,050,000	Repairs and maintenance of the Superdome facility
\$200,000	Advertising/Public Relations for promoting events at the Superdome
\$4,807,000	Saints inducement payments
\$1,840,801	Insurance (LA Stadium & Exposition District - \$1,823,680; Saints Training Facility - \$5,302; Jefferson Baseball Stadium - \$11,819)
\$500,000	Capital Expenditures for replacing equipment
\$4,201,000	Expenses associated with the New Orleans Arena
\$2,030,000	Funds associated with Act 1380 of the 1999 Regular Legislative Session pertaining to the Louisiana Superdome administering the New Orleans Area Tourism and Economic Development Fund
\$418,079	Various increase for LSED operating expenses
<b>\$30,935,477</b>	<b>TOTAL OTHER CHARGES</b>

### **ACQUISITIONS AND MAJOR REPAIRS**

This program does not have funding for acquisitions and major repairs for Fiscal Year 2000 - 2001.